

# A Study of the Challenges of Women Entrepreneurs in Akure City of Ondo State, Nigeria

AJAYI ADEOLA

Email: [ajaviayoola1@gmail.com](mailto:ajaviayoola1@gmail.com)

## Abstract

*The paper assessed the challenges faced by women entrepreneurs in Akure City of Ondo State, Nigeria. This was necessitated by need to ensure that women play an important role in the generation of employment and wealth creation in Akure City of Ondo State, Nigeria.*

*Both primary and secondary sources of data were utilized for the study. The primary sources of data were collected using structured questionnaires. The sample consisted of 120 women entrepreneurs in Akure City of Ondo State, Nigeria. Respondents were selected from women entrepreneurs in agriculture, vocational training, manufacturing, trading and services. The questionnaires were administered using descriptive and inferential statistics to achieve the objectives of the study.*

*The findings revealed that there are many challenges affecting Akure based women entrepreneurs which aptly explain why they cannot contribute meaningfully to entrepreneurship development of the City.*

*The study concluded that the challenges facing Akure based women entrepreneurs should be addressed in order for them to contribute significantly to the economic growth of Ondo State and Nigeria as a whole.*

**Keywords:** Challenges, Economic Growth, Gross National Product, Unemployment, Poverty Reduction, Women Entrepreneurs

## Background to the Study

Women entrepreneurs are vital to the economy development, poverty and unemployment reduction of nation. They have roles to play in the social economy, and political life of any nation.

Women in traditional African economies form the primary producers especially in agriculture, food processing including both the preservation and storage product. Women are also involved in activities such as weaving, spinning and several handicrafts (Kpelai, 2009).

According to Jejenywa (1995), women are at the heart of economic development and economic growth as they control most or the non-monetary economy (subsistence agriculture, bearing children, domestic labour and so on) and play an important role in the monetary economy as well as (trading, wage, labour employment among others.

UNESCO (2002) stated that women form high percentage of the population and they have come a long way in businesses, politics, education, sport and other professions. However, women entrepreneurs suffer a lot of challenges and inhibitions which militate against them in Akure City of Ondo State and Nigeria as whole.

Hence, this study is aimed to find out the challenges of women entrepreneurs in Akure City of Ondo State, Nigeria.

### **Statement of the Problem**

Women entrepreneurs in Akure City of Ondo State have great entrepreneurship potentials given the right incentives and support which will surely aid national growth and development with the necessary “enablement” and government commitment, the women entrepreneurs can contribute inestimably to the development of our economy.

The women entrepreneurs in Nigeria in general and Akure City in particular have been relegated to the background for too long. The Yoruba traditional society believes that women are better off not self-employed, given that there are already certain difficulties in performing entrepreneurial activities.

Moreover, Akure based women entrepreneurs face problems attributable to socio-cultural factors, for example, social condition in some parts inhibit women from starting their own business because they often lack the skills, training, incentive and support system that can expedite their pursuit.

It is against this backdrop that this study sets out to assess the challenges of women entrepreneurs in Akure City of Ondo State, Nigeria.

### **Objectives of the Study**

The Objectives of the study are to

- i. review existing literature on women entrepreneurs
- ii. examine problems of women entrepreneurs in Nigeria ; and

- iii. recommend solutions to problems of women entrepreneurs in Akure City of Ondo State,

Nigeria.

### **Significance of the Study**

The findings of this empirical study will expose the challenges facing Akure based women entrepreneurs and proffer solutions in solving them.

Moreover, the findings will in no small way accelerate rapid growth of the economy and contribute to employment generation of Ondo state and Nigeria as a whole.

Finally, it will also give the government and researcher’s insight into what is required to create enabling environment and equip them with the requisite knowledge on how to get their initiatives on the growth path given by the available limited resources.

### **Literature Review**

Gee (2000) defined women entrepreneurs as “a woman or a group of women who initiate, organize and run a business enterprise”.

Government of India also defined women entrepreneurs as “an enterprise owned and controlled by women who have minimum financial interest of 51% of the employment generated in the enterprise to women”.

Westil (2005) referred to women entrepreneurs as “any woman who organizes and manages any enterprise especially a business”.

Lavore (1984) described women entrepreneurs as “female heads of businesses who have taken initiatives of launching new ventures, who are accepting the associated risks and social

responsibilities and who are effectively in charge of its day-to day management.

The role of women entrepreneurs in economic development, poverty and unemployment reduction in developing countries has been asserted in many studies on women entrepreneurship, illustrated how women entrepreneurs have utilized their entrepreneurial skills to become economically independent and provided economic support to the family through an entrepreneurship.

Tayoux (2004) noted that women entrepreneurs are simply women that participate in total entrepreneurial activities, who take the risks involved in combining resources together in a unique way so as to take advantages of the opportunities identified in their immediate environment through production of goods and services. Most of these are involved in micro small and medium scale enterprises (MSMES) which contribute more than 97% of all enterprises, 60% of the nation's EDP and 7% of the total share of the employment (Ndubusi 2004). The spectrum of women in entrepreneurship often ranges from home-based businesses (HBB) to micro, small and medium enterprises (MSEs) (ILO, 1998).

Okafor et al. (2010) ascertained that women possess dual characteristics (for instance they are firstly women and secondly entrepreneurs). Therefore, women entrepreneurs possess characteristics which include adaptability and innovativeness creativity (Schumpeter, 1934, Drucker, 1985) strength and internal locus of control (Annenkava 2001) ability to think and reason fast and order (Mayou &, 2001)

Managerial skill, accountability and credit risk.

### **Challenges of Women Entrepreneurs**

Adelaja (2004) reported that women entrepreneurs control only 1% of the manufacturing sector in Nigeria. Also in Tanzania, the population of women entrepreneurs is 2.8% (Tanzania Ministry of Trade, 2000)

Similarly, Wilina and Allen (1998) maintained the global economic development resources and property ownership are concentrated in the hands of more men than women. Women entrepreneurs rarely have property which they can offer as collateral to secure loans.

The study done by Dejardin and Awad (1995) pointed to the fact that the access of women entrepreneurs to credit is greatly restricted.

According to NCPE (2012), women are not well represented in the policy making process, especially in issues of business and entrepreneurship development.

Veena (2008) highlighted some of the challenges of women entrepreneurs. They are :

- i. Problems at work
- ii. Problems at home
- iii. Problems with husbands
- iv. Socio-Economic challenges
- v. Personal challenges ;and
- vi. Other strategic challenges

ILO (2003) added that the following are the challenges of women entrepreneurs. They are:

- i. Government policy
- ii. Lack access to appropriate business development support

- iii. Financial constraints ;and
- iv. Family problems'

Akhalwaya and Havenga (2010) contended that women entrepreneurs in South Africa are limited

from the business environment, access to finance, regulatory environment and developmental opportunities, education and family responsibilities.

According to Lamidi Yusuf (2013), women entrepreneurs are confronted with two key challenges gender and cultural beliefs. Agboola (2011) also viewed gender and cultural beliefs among other factors that influences people's willingness and ability to venture into entrepreneurial activities, they continued that within the cultural context, there are sub culture like regional, ethnicity and religious that shapes individual's perception and value system.

Sihnnar et. al. (2012) noted that Hausa and Fulani women entrepreneurs can only be found in the informal sector of the economy. This is due mainly to cultural and religious practices. They further stressed that the male entrepreneurs are still almost twice the women entrepreneurs mainly to cultural perceptions and practices.

Harkiolakis and Caracatsams (2011) believed that gender and culture belief impede the economic potential of women as entrepreneurs and impact, competitiveness.

Carter (2001) and Mordi et. al. (2010) stated that lack of human and external resources for business start up, government policies,

lack of assets, lack of information lack of access to training socio cultural factors and low levels of education are several challenges facing women entrepreneurs.

Nigerian women entrepreneurs operate in an unfavourable business environment, characterised by various challenges ranging from infrastructural deficiencies, corruption, low access and weak institutions (Alekhugie, 2014)

He stressed that majority (90%) of these rural women entrepreneurs are engaged in these activities out of necessity given that they have limited choices outside their traditional roles. The many challenges they face in providing to their families force most of them to now engage in income generation activities in form of micro enterprises (Alekhugie, ibid)

He also added that geographical location, lack of education, poor background, lack of mentorship are among the obstacles facing women entrepreneurs in Nigeria

### **Methodology**

A total of 120 questionnaires were distributed to women entrepreneurs at in Akure City of Ondo State, Nigeria. Data were analysed using descriptive statistics. All hands were on deck to ensure that the accurate number distributed to respondents were collected accordingly.

### **Result and Discussion**

The results of the findings are illustrated in table 1, 2, 3 and 4 below:

**Table 1: Profile of Women Entrepreneurs in Akure City of Ondo State, Nigeria**

Characteristics	Frequency N= 120	Percentage N = 120
<b>Age</b>		
10 - 20	4	3.33
21 - 30	38	31.67
31 - 40	44	36.67
41 - 50	24	20
50 and above	10	8.33
<b>Education Qualifications</b>		
Primary School Holders	22	18.33
Secondary School Holders	50	41.67
OND/NCE Holders	30	25
HND/ BSC/ MSC Holders	18	15
<b>Previous Experience</b>		
Unskilled	78	65
Unemployed	26	21.67
Skilled	16	13.33

**Source: Field Survey, (2015)**

Table 1 above showed that the highest respondents were from the ages between 31 – 40 (44), senior secondary school holders (50) and unskilled entrepreneurs (78) while

the least respondents were from the ages between 10 – 20 (4), HND/BSC/MSc (18) and skilled entrepreneurs (16).

**Table 2: Profile of Firms in Akure City of Ondo State, Nigeria**

Characteristics	Frequency	Percentage N=120
<b>Legal Status</b>		
Sole Proprietorship	76	63.33
Partnership	44	36.67
<b>Firm Sector</b>		
Agriculture	20	16.67
Manufacturing	14	11.67
Trading	28	23.33
Vocational Skills	46	38.33
Services	12	10
<b>Firm Age (Years )</b>		
Up to 2 years	14	11.67
3 – 5	36	30
6 – 8	32	26.67
9 – 11	28	23.33
12 and above	10	8.33
<b>Number of Employees</b>		
Up to 10	30	25
11 - 20	34	28.33
21 - 30	22	18.33
31- 40	8	6.67
41 - 50	12	10
More than 50	14	11.67

**Source: Field Survey, (2015)**

From Table 2 above, the highest respondents were from partnership (44), vocational skills (46), firm ages 3 - 5 (18) and number of employees 11 - 20 (17) while the least of

respondents were from sole partnership (44), firm ages 12 and above (5) and the number of employees 31- 41.

**Table 3: Sources of Finance of Women in Akure City, Ondo City, Nigeria**

Sources of Finance	Frequency N = 120		Percentage = 120	
	Yes	No	Yes	No
<b>Sources of Working Capital</b>				
Bank loan	42	78	20	80
Own Savings	110	10	91.67	8.33
Borrowing from family and friends	46	74	38.33	61.67
Government incentives	42	78	35	65
Other sources	10	110	8.33	91.67
<b>Sources of Start Up Capital</b>				
Bank Loans	38	82	31.67	68.33
Own Savings	108	12	90	10
Borrowing from families & friends	68	52	56.67	43.33
Government Incentives	24	96	20	80
Other Sources	26	94	21.67	78.33

**Source: Field Survey, (2015)**

Table 3 above showed that 90% of the women entrepreneurs in the survey relied on their own savings for their initial start-up capital. The other sources of start-up capital used were government incentives representing 20% and borrowing from

family and friends 56.67% in table 3 above. The dependence of women entrepreneurs on internal funds can be attributed to non-availability of government incentives or lack of collateral security as shown in table 3.

**Table 4: Problems of Women Entrepreneurs in Akure City of Ondo State, Nigeria**

Challenges	Frequency N = 120		Percentage = 120	
	Yes	No	Yes	No
Political trends	66	54	55	48
Socio-cultural and environmental restrictions	74	46	61.67	38.33
Lack of technological advancement	74	46	61.67	38.33
Lack of policy enforcement	68	52	56.67	43.33
Corruption of government official	82	38	68.33	31.67
Problem with financing	92	28	76.67	23.33
Lack of ability to take calculated risks	74	46	61.67	38.33
Inadequate management experience	96	24	80	20
Bank policy and bureaucracy	82	38	68.33	31.77
Government's attitude towards entrepreneurship	96	24	80	20
Lack of infrastructural facilities	82	38	68.33	31.67
Lack of access to training	76	44	63.33	36.67
Family responsibilities and geographical location	66	54	55	45
Lack of Information	108	12	91.67	8.33
Low level of education	96	24	80	200

**Source: Field Survey, (2015)**

The results of empirical findings show that majority of the respondents attest to the fact that women entrepreneurs face serious challenges which include socio cultural

influence, lack of technological advancement, lack of policy for entrepreneurship, corruption, government's attitude towards entrepreneurship, political



trends, financial constraints, bank policy and bureaucracy, lack of infrastructural development, low level of education, family responsibility, lack of access to training in their business operation.

### **Conclusion**

The study assessed the challenges of women entrepreneurs in Akure of Ondo State, Nigeria. It reviews literature on women entrepreneurs and problems facing women entrepreneurs. Data were analysed using descriptive statistics such as frequency and percentage.

It discovered that Akure based women entrepreneurs are facing many challenges such as socio-cultural and environmental restrictions, lack of technological advancement problem with financing, lack of ability to take calculated risks, lack of Information, government's attitude towards entrepreneurship, lack of infrastructural facilities, lack of Information, low education among others where more than 60% of the respondents supported the assertion.

The study concluded that problems facing women entrepreneurs should be addressed in order for them to contribute significantly to the economic growth of the City, Ondo State, Nigeria.

### **Recommendation**

Having highlighted the challenges of women entrepreneurs in Akure City of Ondo State, Nigeria, the paper recommends as follows:

1. Government should make policies that will positively enhance the accessibility of women entrepreneurs to the required funds and help this business support organizations improve their services towards women entrepreneurial development.

2. Government should empowerment by training and development skills on business opportunities for women.

3. Government should provide institutional policy framework that target women entrepreneurship development; capability building programmes on business for women entrepreneur in Nigeria.

4. The three tiers of government should provide tax relieve to women entrepreneurs in firm of tax at or tax rebate to help lessen multiple tax burden.

5. Government should provide aggressively infrastructural development such as water, electricity, roads, and security to reduce cost of doing business in Nigeria.

6. Enterprise network, NEO and so on should provide advice, counseling and training for women entrepreneurs.

7. Women entrepreneurs should strive to break through socio cultural and development barriers with great determination, perseverance, in breakable, solidarity and genuine desires to conquer the challenges.

8. Government should promote positive images of women and women entrepreneurs, in particular as partners and contributors to economic growth and development.

9. Finally, married women entrepreneurs should be given support by their husbands in

respect of finances, motivational encouragement, advice in the running of business.

## References

Adelaja, M. A. (2004). An Address by Director General of SMEDAN at its Official Flag off

of National Survey of Micro, Small And Medium Enterprises in all Local Government

of the Federation Nigeria.

Agboola, M.E. (2011). “Environment Factor and Entrepreneurship Development in Nigeria” *Journal of Sustainable Developing Vol. 13 (4)*. This Day Newspapers 8<sup>th</sup> July, 2014.

Akhalwaya, A. and Havenga, W. (2012). “The Barriers that Hinder the Success of Women

Entrepreneurs in Gauteng, South Africa” *OIDA International Journal of Sustainable*

*Development Vol. 3, pp. 11-28.*

Alekhugie, N. (2014). “Challenges before Female Entrepreneurs in Nigeria” *This Day News*

*Paper 8<sup>th</sup> July*

Annekova, V. (2001). “Global Approach to Fostering Development of Women Entrepreneurship” *FSA Contemporary Issues*.

Carter, S. (2001). Gender and Enterprise in Carter and Jones E.D. (eds) *Enterprises and Small Business*, Wesley: Addison.

Dejardin, A. K. and Awad, A. I. (1995) “Gender, Policy, and Business”.

Drucher, P. (1985). “Innovation and Entrepreneurship Practice and Principles” London: *Heinermann*.

Gee, S. (2000). “NAWBO Getting Serious about Women’s Business” *Birmingham Business Journal*.

Harkiolaks, N. and Caracatsani, W. (2011). “Challenges Facing Entrepreneurs in Nigeria”. *Emerald Group Publishing Ltd 34 (2): 221-236.*

ILO (2003) “Small and Medium Enterprise Development” *Globalization and Gender Briefs Series ISP/SEE N No.3.*

ILO (1998) “Gender Issues in Micro-Enterprise Development” *International Small Enterprise Programme Report*.

Jejenewa, O. (1995). “The Role of Women in National Development in Women and Trade Unionism in Nigeria” Ibadan: *Johnmot Printers*.

Kibas, P. B. (2005) “Challenging Facing Women Entrepreneurs” Being a paper presented at

3<sup>rd</sup> African Resource Bank Meeting, November 27<sup>th</sup> - 30<sup>th</sup>.

Kpelai S. (2009) “Entrepreneurship Development in Nigeria Makurdi: *Aboki Publishers 67-68.*

Lavore, D. (1984) “A New Era for Female Entrepreneurship in the 80’s ” *Journal of Small*

*Business, Vol. 1, 34- 43.*

Mayoux, L. (2001). “Jobs, Gender and Small Enterprises”. *Working Paper Series on Women Entrepreneurship Development and Gender in Enterprises, WEDEE: No 15.*

Mattis M.C. (2004). “Women Entrepreneurs: Out from under the class ceiling” *Women in Management Review, Vol. 19(3) 154-163.*

National Commission for the Promotion of Equity (2012). “Entrepreneurs and Vulnerable

Workers in Malta: Unleashing the Female Potentials” *NCPE*, pp. 64- 120.

Ndubusi, F. (2004). “Bankers List Financing Alternative for SMEs” CBN Seminar on Small 2 Medium Industries Equity Investment Scheme; *Maritime Report*.

Nichter, S. and Goldmark, L. (2009). “Small Firms’ Growth in Developing Countries” *Mimeo Publication*.

Okafor, C. and Mordi, C. (2010). “Women Entrepreneurship Development in Nigeria” The

Effect of Environmental Factors” *Petroleum-Gas University of Ploiesti, Bulletin*

*Vol. Lxii*, pp. 43-52

Patel, V. (2002). “Women’s Challenges of the New Millenium” *Eyan publication*.

Schumpeter, J.A. (1934) “Theory of Capitalism and Economic” Cambridge, MA: *Harvard University Press*.

Shinnar, R. S., Giacom, O. and Janssen, F. (2012). “Entrepreneurship Perceptions and Intentions

: The Role of Gender and Cultural Entrepreneurship Theory and Practice” *Baylor*

*University Press*.

Tanzania Ministry of Trade (2000). “Yearly Report”.

Veena S.S. (2008). “A Study of Woman Entrepreneurs in Food Processing” *Ph.D Thesis* Submitted to Saurashtra University, India.

Vestil, D. (2005). “Businesses Owned by Women Fuel National Growth” *Kansas City Star*

*Publication*.

Wilina, G and Allen, J. (1998). “Gender Sensitivity” *UNESCO Publication*.

Yusuf, L. (2013). “Influence or Gender and Cultural Beliefs on Women Entrepreneurs in Developing Economy” *Scholarly Journal of Business Administration Vol. 3 (5) pp. 117- 119*.